

[case | study]

Success Stories From Buck Consultants

Outsourced Employee Share Ownership Plan (ESOP) administration



BUSINESS ISSUES

BMO Financial Group is a highly diversified financial services provider offering a broad range of retail banking, wealth management, and investment banking products and solutions. With more than 34,000 employees, BMO serves clients across Canada and in the United States through BMO Bank of Montreal, BMO Nesbitt Burns, BMO Capital Markets, and their Chicago-based subsidiary, Harris.

BMO Financial Group had been outsourcing administration of their ESOP since the plan's inception. Changes to tax legislation caused their provider at the time to cease offering outsourcing services. BMO was notified of the vendor's decision in the fall, and needed to find a new outsourcing provider and trustee quickly. The new suppliers had to be ready to go live on the following January 1.

SOLUTION

Buck had already worked with BMO Financial Group providing consulting for their DB pension plan, and as a result of the working relationship, BMO knew that Buck had the capability to provide ESOP administration services, as well.

BMO engaged Buck to administer the ESOP, and Buck successfully implemented the plan within the short timeframe.

The original ESOP was only available to senior management and executives at BMO Financial Group. Six years later, BMO decided to expand the ESOP program to the general employee population – a decision that involved potential growth in plan membership from 3,000 to 33,000 members. Among other deliverables, BMO and Buck worked together to redesign the plan, establish new system interfaces, determine reporting requirements, and provide promotional launch materials. The technology had to accommodate the specific requirements of BMO's plans, including rules relating to enrollment, vesting, and withdrawals.

Again, the timeframe for implementation was tight, as the new ESOP was scheduled to be rolled out in 5 months.

"In our view, Buck does what they say they are going to do. They take promises seriously, and deliver on their commitments"

David Minifie
Director, Benefits & Pensions
BMO Financial Group

buck

RESULTS

The new ESOP was successfully launched on time, in spite of the short timeline. Enrollment materials were sent out prior to the launch, support systems were in place when employees enrolled, and the first statement was produced on time.

Buck later expanded the support offered to employees by assuming responsibility for the call centre services in-house and, in 2008, launched a web application providing member self service.

BMO Financial Group felt that Buck did a good job of managing the relationship during the transition, listening and responding quickly to any concerns, and resolving them to BMO's satisfaction. They were pleased that Buck was able to deliver the project in different phases at the appropriate times, yet make the transition on the whole appear seamless to employees.

Taking the call centre services in-house at Buck and launching the web application meant that BMO employees received better service, with more knowledgeable resources available to address their inquiries.

BENEFITS

BMO employees benefited from an ESOP program with significant compensation value, delivered with a great deal of support. Employees found it easy to enroll in the plan, and BMO noticed a significant decrease in employee issues when Buck assumed the call centre responsibilities. BMO and Buck have a strong, long-term working relationship. BMO feels that the quality of service has been consistent since the original launch of ESOP administration services, and has confidence in the strength and stability of the Buck organization.

Not only has Buck met BMO's requirements and standards as they've changed and evolved, they have exceeded expectations. BMO Financial Group is a satisfied client, and has been for many years.